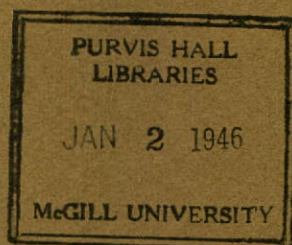
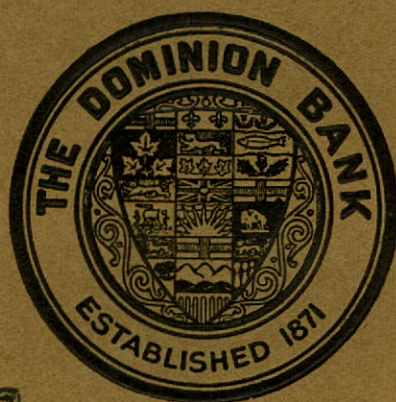


THE DOMINION BANK



**SEVENTY-THIRD
ANNUAL REPORT
30TH OCTOBER 1943**

SEVENTY-THIRD ANNUAL REPORT

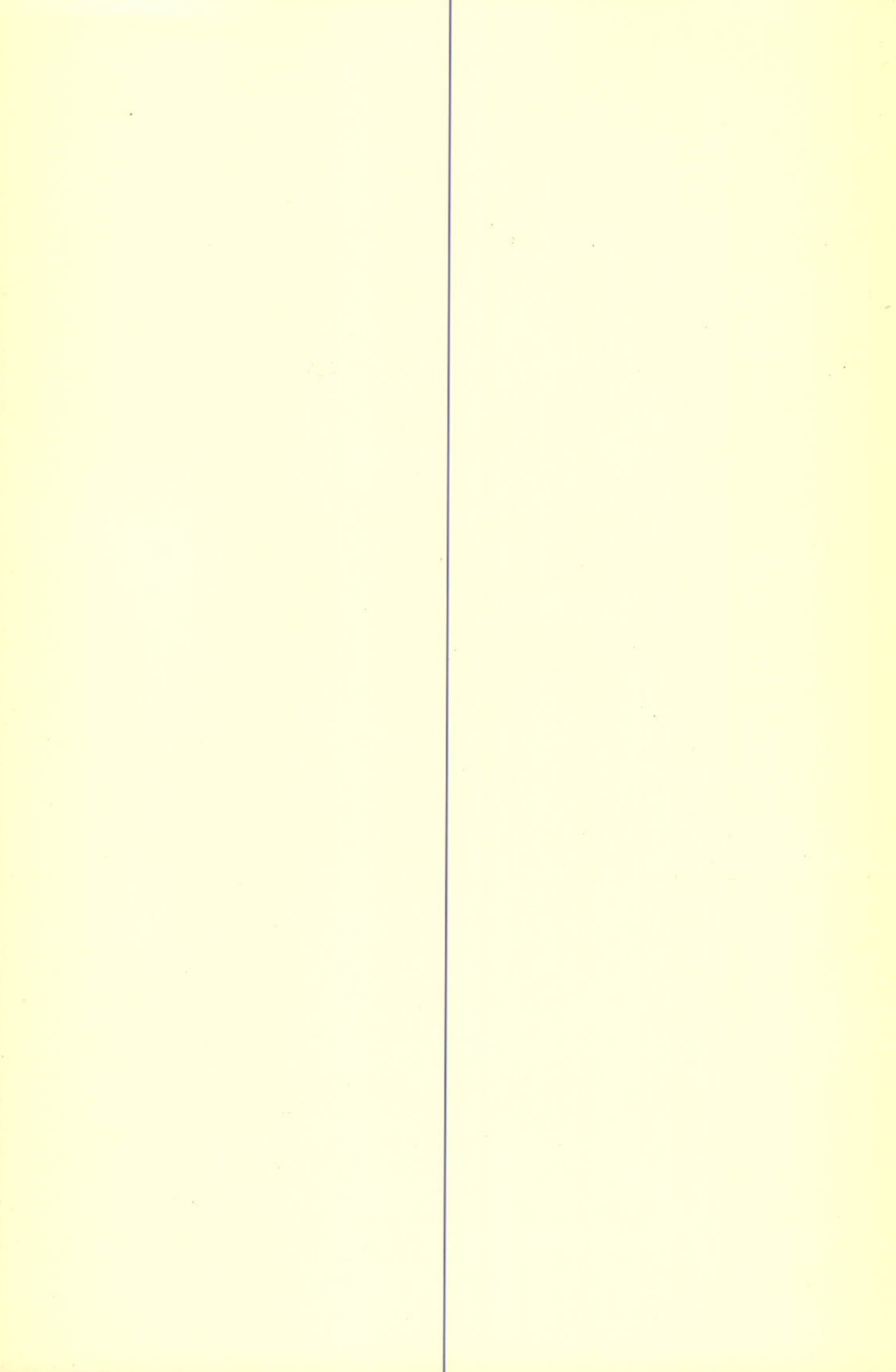
1871

1943



THE DOMINION BANK

30th OCTOBER, 1943



THE DOMINION BANK

ESTABLISHED 1871

HEAD OFFICE - TORONTO

CAPITAL PAID UP	- - - -	\$7,000,000
RESERVE FUND	- - - -	\$7,000,000
UNDIVIDED PROFITS	- - - -	\$ 965,750

30TH OCTOBER, 1943

THE DOMINION BANK

BOARD OF DIRECTORS

PRESIDENT

C. H. CARLISLE, TORONTO.	{	Chairman of the Finance Committee and Director, The Goodyear Tire & Rubber Company of Canada, Limited.
	{	President, Canada Bread Company, Limited.
	{	Director, Canadian General Investments, Limited.
	{	" Dominion Bridge Company, Limited.
	{	" Montreal Trust Company.

CHAIRMAN OF THE BOARD

C. A. BOGERT, TORONTO.	{	Director, The Canada Life Assurance Company.
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VICE-PRESIDENTS

R. S. McLAUGHLIN, OSHAWA.	{	President, General Motors of Canada, Limited.
	{	Vice-President, General Motors Corporation.
	{	Director, Canadian General Electric Co., Limited.
	{	" Canadian Pacific Railway Company.
	{	" The Consolidated Mining & Smelting Company of Canada, Limited.
ROBERT RAE, TORONTO.	{	" The International Nickel Company of Canada, Limited.
	{	" McIntyre-Porcupine Mines, Limited.
	{	" Moore Corporation Limited.
	{	" The Royal Trust Company.
	{	General Manager, The Dominion Bank.

DIRECTORS

COL. THE HONOURABLE DR. HERBERT A. BRUCE, F.R.C.S. (ENG.), LL.D., M.P. TORONTO.	{	President, Federal Fire Insurance Company.
	{	Vice-President, The Trusts & Guarantee Co., Ltd.
R. Y. EATON, TORONTO.	{	" Wellington Fire Insurance Company.
	{	President, The Eaton Knitting Co. Limited.
	{	Director, The National Trust Company, Limited.
	{	President, Beaver Lumber Company, Limited.
	{	" Empire Sash & Door Company, Ltd.
R. J. GOURLEY, WINNIPEG.	{	" Keewatin Box Company, Limited.
	{	Vice-President, Manitoba Bridge & Iron Works, Ltd.
	{	Member, Canadian Committee, Hudson's Bay Company.
	{	Director, The Monarch Life Assurance Company.
	{	" The Northern Trusts Company.
COL. THE HONOURABLE E. W. HAMBER, LL.D., VANCOUVER.	{	" Western Manufacturing Company, Ltd.
	{	" Western Steel Products Corp'n, Ltd.
	{	President, Hastings Sawmill Company, Limited.
	{	Director, Canadian Pacific Railway Company.
	{	" Pacific Mills Limited.
	{	" The Toronto General Trusts Corp'n.

DIRECTORS—Continued

D. M. HOGARTH, C.M.G., TORONTO.	{	Director, Central Porcupine Mines Ltd.
		" Little Long Lac Gold Mines, Limited.
		" MacLeod-Cockshutt Gold Mines, Ltd.
		" Madsen Red Lake Gold Mines, Limited.
		" Montclair Mines Limited.
		" Nipissing Mines Company, Limited.
		" Pioneer Gold Mines of B.C., Limited.
		" Sherritt Gordon Mines, Limited.
		" South American Gold Areas Limited.
		" Steep Rock Iron Mines, Limited.
J. M. MACKIE, MONTREAL.	{	President, Brinton-Peterboro Carpet Co., Limited.
		" Canadian Converters' Company, Ltd.
		Vice-President, Belding-Corticelli, Limited.
		Director, Manufacturers Mutual Fire Insurance Company, Providence, R.I.
A. C. MATTHEWS, TORONTO.	{	" Paton Manufacturing Company, Ltd.
		President, Canada Malting Co., Limited.
F. GORDON OSLER, TORONTO.	{	Director, Confederation Life Association.
		Partner, Osler & Hammond.
		President, Canada Permanent Mortgage Corporation.
		" Canada Permanent Trust Company.
		Vice-President, The Manufacturers Life Insurance Company.
		Director, Consolidated Bakeries of Canada, Ltd.
		" The Consolidated Mining & Smelting Company of Canada, Limited.
JOSEPH M. PIGOTT, HAMILTON.	{	" Consumers' Gas Company of Toronto.
		" The Steel Company of Canada, Limited.
		President, Pigott Construction Company, Limited.
		" Pigott Realty Company, Limited.
		" Wartime Housing Limited.
J. ALLAN ROSS, TORONTO.	{	Director, Atlas Steels Limited.
		" Canada Steamship Lines, Limited.
		" Consolidated Fire & Casualty Company.
		" Landed Banking & Loan Company.
C. B. SHIELDS, TORONTO.	{	President and Managing Director, Wm. Wrigley Jr. Company, Limited.
		Vice-President and General Manager, Loblaw Groceries Company, Ltd.
		Director, Canada Bread Company, Limited.
H. H. WILLIAMS, TORONTO.	{	" The Great Lakes Paper Company, Ltd.
		Director, The Imperial Life Assurance Company of Canada.



BOARD ROOM
THE DOMINION BANK, TORONTO

THE DOMINION BANK

HEAD OFFICE: TORONTO

OFFICIALS

ROBERT RAE	-	-	-	<i>General Manager</i>
T. WILDING	-	-	-	<i>Assistant General Manager</i>
S. C. COOK	-	-	-	<i>Assistant General Manager</i>
C. S. HOWARD	-	-	-	<i>Chief Supervisor</i>
A. H. BAILLIE	-	-	-	<i>Eastern Supervisor</i>
A. A. ATKINSON	-	-	-	<i>Supervisor</i>
J. B. O'NEILL	-	-	-	<i>Supervisor</i>
C. A. PACK	-	-	-	<i>Chief Inspector</i>
W. B. TANNAHILL	-	-	-	<i>Secretary</i>
JOHN MILLER	-	-	-	<i>Chief Accountant</i>
JOHN DENISON	-	-	-	<i>Supervisor, Foreign Department</i>
W. O. ARCHDEKIN	-	-	-	<i>Staff Superintendent</i>
JAMES GRANT	-	-	-	<i>Superintendent of Bank Premises</i>

WESTERN OFFICIALS—WINNIPEG

R. K. BEAIRSTO	-	-	-	<i>Assistant General Manager</i>
E. R. CAMERON	-	-	-	<i>Western Supervisor</i>
C. SMITH	-	-	-	<i>Western Inspector</i>

BRANCHES OF THE DOMINION BANK

ONTARIO

BADEN	J. B. Runstedtler	Manager
BELLEVILLE	B. C. Sisler	Manager
BRACEBRIDGE	W. W. Creswick	Manager
BRAMPTON	W. E. Glenney	Manager
BRANTFORD	John McMillan	Manager
CHATHAM	W. Watts	Manager
COBOURG	J. W. Maize	Manager
DRESDEN	E. W. Slaght	Manager
FAIRBANK	S. Blues	Manager
FORT FRANCES	W. T. Russell	Manager
FORT WILLIAM	R. F. J. Ford	Manager
GERALDTON	T. J. Johnston	Manager
GRAVENHURST	T. A. Smith	Manager
GUELPH	A. H. Bazett	Manager
HAMILTON, Main Office		
(Main and James Sts.)	Norman Evans	Manager
	J. W. L. Addleton	Asst. Manager
East End Branch (King and Wentworth Sts.)	J. S. Dean	Manager
Kenilworth Ave. and Barton St.	J. A. Harshaw	Manager
HESPELER	W. W. Heaney	Manager
HUNTSVILLE	J. G. Fraser	Manager
KENILWORTH	W. Coupar	Manager
KENORA	L. S. Nicolson	Manager
KIRKLAND LAKE	C. S. Blenkinship	Manager
KITCHENER, Main Office		
(70 King St. East)	G. E. Hynes	Manager
West End Branch (King and Victoria Sts.)	T. Long	Manager
LEAMINGTON	A. Ritchie	Manager
LINDSAY	M. E. Grant	Manager
LONDON	H. F. Smith	Manager
LONG BRANCH	W. H. Seabrook	Manager
MADOC	J. Walton	Manager
MARMORA	G. Murray	Manager
MOUNT ALBERT	J. A. Tilley	Manager
MOUNT FOREST	W. Coupar	Manager
NAPANEE	R. Humphrey	Manager
NEW TORONTO	W. V. Dedrick	Manager
NIAGARA FALLS	A. N. Kidd	Manager
ORILLIA	C. S. Pim	Manager
OSHAWA, Main Office		
(King and Simcoe Sts.)	C. Waite	Manager
	A. F. Fraser	Asst. Manager
South Oshawa Branch	J. R. Morrison	Manager
OTTAWA	W. E. Scott	Manager
PETERBOROUGH	T. T. Rodger	Manager
ST. CATHARINES	S. T. Organ	Manager

BRANCHES - ONTARIO—Continued

ST. THOMAS.....	H. G. Henderson.....	Manager
SARNIA.....	D. S. Hunter.....	Manager
SEAFORTH.....	E. C. Boswell.....	Manager
SUDBURY.....	R. M. Bolton.....	Manager
TIMMINS.....	F. A. Burt.....	Manager

TORONTO, Main Office

(Cor. King and Yonge Sts.).....	A. C. Ashforth.....	Manager
	T. F. R. Elliott.....	Asst. Manager
	J. D. N. Waugh.....	Asst. Manager
	E. S. Swallow.....	Asst. Manager
Avenue and Davenport Rds.....	P. J. Jones.....	Manager
Bloor and Bathurst Sts.....	F. R. Cochran.....	Manager
Bloor St. and Dovercourt Rd.....	W. S. Waugh.....	Manager
Bloor St. and Runnymede Rd.....	C. A. Thorpe.....	Manager
City Hall Branch.....	W. Walker.....	Manager
Danforth and Logan Aves.....	J. J. Irwin.....	Manager
Davenport and Dovercourt Rds.....	R. A. Jennings.....	Manager
Davenport Rd. and Laughton Ave.....	A. M. Slatter.....	Manager
Dufferin St. and Lappin Ave.....	D. W. Dean.....	Manager
Dundas and McCaul Sts.....	A. P. Duck.....	Manager
Dupont and Christie Sts.....	R. W. M. Thomson.....	Manager
Lawrence Park (cor. Yonge St. and Lawrence Ave.).....	D. A. Burns.....	Manager
Leaside Branch (588 Bayview Ave.).....	Wm. Davidson.....	Manager
Market Branch (King and Jarvis Sts.).....	W. W. Duncan.....	Manager
Parkdale (Queen St. and Jameson Ave.).....	L. G. Babcock.....	Manager
Queen St. and Augusta Ave.....	G. M. Chesney.....	Manager
Queen St. and Broadview Ave.....	A. H. Black.....	Manager
Queen and John Sts.....	R. R. Buchanan.....	Manager
Queen St. and Lee Ave.....	G. R. Cook.....	Manager
Queen St. and Ossington Ave.....	M. E. Roberts.....	Manager
Queen and Sherbourne Sts.....	T. C. Glenn.....	Manager
Queen and Victoria Sts.....	M. S. Burger.....	Manager
Queen's Quay Branch.....	D. S. Bloxham.....	Manager
Roncesvalles and Howard Park Aves.....	C. W. McMichael.....	Manager
Rosedale (Sherbourne and Bloor Sts.).....	N. J. O'Flynn.....	Manager
St. Clair Ave. and Dufferin St.....	W. E. Lepper.....	Manager
St. Clair Ave. and Vaughan Rd.....	C. A. R. Hunter.....	Manager
Spadina Ave. and Adelaide St.....	Joseph Johnson.....	Manager
Spadina Ave. and College St.....	W. S. Pate.....	Manager
West Toronto Branch.....	F. E. Havill.....	Manager
Yonge St. and Eglinton Ave.....	W. B. Macdonald.....	Manager
Yonge and Gerrard Sts.....	W. D. Kelly.....	Manager
Yonge and Hayden Sts.....	J. M. R. Torrie.....	Manager
Yonge St. and Marlborough Ave.....	E. E. Abbott.....	Manager
Yonge St. and St. Clair Ave.....	T. W. Joyce.....	Manager

BRANCHES—Continued

TORONTO—Continued

Yonge St. and Teddington Park Ave.	G. J. Vicars	Manager
York and Adelaide Sts.	R. B. Hunter	Manager
UXBRIDGE	D. D. Dunsire	Manager
WELLAND	E. W. McCrindle	Manager
WHITBY	J. C. Taylor	Manager
WINDSOR	F. F. Hull	Manager
WINGHAM	G. C. Gammage	Manager

QUEBEC

MONTREAL, Main Office

(240 St. James St. West)	W. A. Fisher	Manager
	P. E. J. Netterfield	Asst. Manager
Beaubien and Christophe Colomb Sts.	E. E. Baldwin	Manager
Bleury and St. Catherine Sts.	J. K. Muir	Manager
	P. Kennedy	Asst. Manager
Dominion Square Branch (Peel and St. Catherine Sts.)	W. J. Dundas	Manager
Guy and St. Catherine Sts.	E. F. Morris	Manager
St. Jean Baptiste Market	A. S. Jamieson	Manager
St. Lawrence Blvd. Branch (St. Lawrence Blvd. and Prince Arthur St.)	P. C. Marsh	Manager
	W. H. Hodgkin	Asst. Manager
ROUYN	James Steele	Manager

MANITOBA

BRANDON	J. Addison	Manager
DELORAIN	A. Morton	Manager
ST. BONIFACE (Union Stock Yards Branch)	R. G. Pinkerton	Manager
SELKIRK	R. A. Glendinning	Manager
THE PAS	L. W. Saul	Manager
WINNIPEG, Main Office		
(Main St. and McDermot Ave.)	R. K. Beairsto	Manager
	E. D. White	Asst. Manager
Main St. and Redwood Ave.	W. D. Cockerill	Manager
North End (678 Main St.)	B. E. Elmore	Manager
Notre Dame Ave. and Sherbrook St.	G. Watson	Manager
Portage Ave. and Kennedy St.	C. O. Bell	Manager
Portage Ave. and Sherbrook St.	J. G. Foggo	Manager

SASKATCHEWAN

GRENFELL	C. H. Johnston	Manager
MOOSE JAW	A. Tomkins	Manager
REGINA	W. A. Radcliff	Manager
SASKATOON	L. C. Brown	Manager

BRANCHES—Continued

ALBERTA

CALGARY.....	B. E. Hull.....	Manager
EDMONTON.....	M. C. Fraser.....	Manager
MEDICINE HAT.....	W. S. Ashley.....	Manager

BRITISH COLUMBIA

VANCOUVER, Main Office (Hastings St. West and Cambie St.).....	C. W. Jones.....	Manager
Pender and Howe Sts.....	J. R. Gulloch.....	Manager
VICTORIA.....	D. McMillan.....	Manager

NEW BRUNSWICK

SAINT JOHN.....	R. W. Thurston.....	Manager
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LONDON, ENGLAND

3, KING WILLIAM ST., E.C.4.....	Percival Huffman.....	Manager
	E. W. Booth.....	Asst. Manager

NEW YORK AGENCY, U.S.A.

49 WALL ST.....	A. W. Rice.....	Agent
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CHIEF CORRESPONDENTS

GREAT BRITAIN	-	Bank of England.
		Barclays Bank Limited.
		British Overseas Bank, Limited.
		Lloyds Bank Limited.
		National Bank of Scotland, Limited.
AFRICA	- - - - -	Barclays Bank (Dominion, Colonial and Overseas).
		Standard Bank of South Africa Limited.
AUSTRALASIA	- -	Bank of New South Wales.
		Commercial Bank of Australia, Limited.
		National Bank of Australasia, Limited.
CHINA	- - - - -	American Express Co.
		Chartered Bank of India, Australia and China.
		Chase Bank.
		Hong Kong and Shanghai Banking Corporation.
		National City Bank of New York.
SOUTH AMERICA	-	Bank of London and South America, Limited.
		National City Bank of New York.
		Banco do Brasil, S.A.
		Banco Popular del Peru.
SWEDEN	- - - -	Svenska Handelsbanken.
SWITZERLAND	- -	Banque Federale.
		Banque Populaire Suisse.
WEST INDIES	- -	Barclays Bank (Dominion, Colonial and Overseas).
		National City Bank of New York.

CHIEF CORRESPONDENTS—Continued

UNITED STATES

BOSTON, MASS.	- -	First National Bank of Boston. National Shawmut Bank of Boston.
BUFFALO, N.Y.	- -	Liberty Bank of Buffalo. Marine Trust Company of Buffalo.
CHICAGO, ILL.	- -	Continental Illinois National Bank and Trust Company of Chicago.
CINCINNATI, O.	- -	First National Bank.
CLEVELAND, O.	- -	National City Bank of Cleveland.
DETROIT, MICH.	- -	Commonwealth Bank. National Bank of Detroit. The Detroit Bank.
DULUTH, MINN.	- -	First and American National Bank.
LOS ANGELES, CAL.	-	Bank of America National Trust and Savings Association.
MINNEAPOLIS, MINN.	-	First National Bank and Trust Company of Minneapolis. Northwestern National Bank and Trust Company of Minneapolis.
NEW YORK, N.Y.	-	National City Bank of New York. Bankers Trust Company. Central Hanover Bank and Trust Company. Chase National Bank of the City of New York. Continental Bank and Trust Company of New York. Corn Exchange Bank Trust Company. Guaranty Trust Company of New York. Irving Trust Company. J. P. Morgan & Co. Inc.
PHILADELPHIA, PA.	-	Central-Penn National Bank of Philadelphia. First National Bank. Philadelphia National Bank.
PITTSBURGH, PA.	-	First National Bank at Pittsburgh. Peoples-Pittsburgh Trust Company.
ST. LOUIS, MO.	- -	Mercantile-Commerce Bank and Trust Company.
ST. PAUL, MINN.	- -	First National Bank of St. Paul.
SAN FRANCISCO, CAL.	-	Bank of California, N.A. Bank of America National Trust and Savings Association.
SEATTLE, WASH.	- -	Bank of California, N.A. National Bank of Commerce of Seattle.
WASHINGTON, D.C.	-	Riggs National Bank of Washington.

GENERAL STATEMENT, YEAR

ASSETS	
Subsidiary coin held in Canada.....	\$ 326,885.16
Subsidiary coin held elsewhere.....	206.78
Notes of Bank of Canada.....	\$ 3,105,080.25
Deposits with Bank of Canada.....	20,502,242.16
Notes of other Chartered Banks.....	23,607,322.41
Government and Bank notes other than Canadian..	41,645.00
Cheques on other Banks.....	116,565.21
Due by Banks and Banking Correspondents else- where than in Canada.....	8,301,382.16
	8,879,864.05
	\$41,273,870.77
Dominion and Provincial Government direct and guaranteed Securities, maturing within two years, not exceeding market value.....	68,760,218.30
Other Dominion and Provincial Government direct and guaranteed Securities, not exceeding market value.....	32,973,757.44
Canadian Municipal Securities, not exceeding market value.....	915,523.00
Public Securities other than Canadian, not exceeding market value.....	666,077.14
Other Bonds, Debentures and Stocks, not exceeding market value.....	1,451,569.44
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient marketable value to cover	1,122,200.62
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures, Bonds and other Securities, of a sufficient market- able value to cover.....	4,435,648.24
Deposit with the Minister of Finance for the security of note circulation.....	151,500.00
	\$151,750,364.95
Current Loans and Discounts in Canada, not other- wise included, estimated loss provided for.....	\$60,239,507.93
Loans to Provincial Governments.....	629,625.67
Loans to Cities, Towns, Municipalities and School Districts.....	267,738.37
Current Loans and Discounts elsewhere than in Canada, not otherwise included, estimated loss provided for.....	388,903.53
Non-current Loans, estimated loss provided for....	65,478.97
Bank Premises, at not more than cost, less amounts written off.....	4,976,171.22
Real Estate other than Bank Premises.....	12,828.82
Mortgages on Real Estate sold by the Bank.....	34,075.55
Other Assets not included under the foregoing heads (but including refundable portion of Dominion Government taxes \$15,857.73).....	199,451.40
	66,813,781.46
Liabilities of Customers under Acceptances and Letters of Credit, as per contra.....	5,280,457.42
	<u>\$223,844,603.83</u>

ENDED 30th OCTOBER, 1943

LIABILITIES

Capital paid up.....	\$	7,000,000.00
Reserve Fund.....	\$	7,000,000.00
Balance of profits as per Profit and Loss Account....		965,750.68
Dividend No. 244 payable 1st November, 1943.....		140,000.00
Former Dividends unclaimed.....		1,289.94
		8,107,040.62
Total Liabilities to the Shareholders.....	\$	15,107,040.62
Notes of the Bank in circulation.....	\$	2,080,951.50
Deposits by and balances due to Dominion Government.....	\$13,710,389.49	
Deposits by and balances due to Provincial Governments.....	3,160,949.05	
Deposits by the public not bearing interest.....	81,441,001.23	
Deposits by the public bearing interest, including interest accrued to date of statement.....	99,406,237.40	
		197,718,577.17
Deposits by and balances due to other Chartered Banks in Canada.....	1,440,004.54	
Deposits by and balances due to Banks and Banking Correspondents in the United Kingdom and foreign countries.....	1,737,816.13	
Liabilities to the public not included under the foregoing heads.....	479,756.45	
		203,457,105.79
Acceptances and Letters of Credit outstanding.....		5,280,457.42
		<u>\$223,844,603.83</u>

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

WE REPORT TO THE SHAREHOLDERS OF THE DOMINION BANK:—

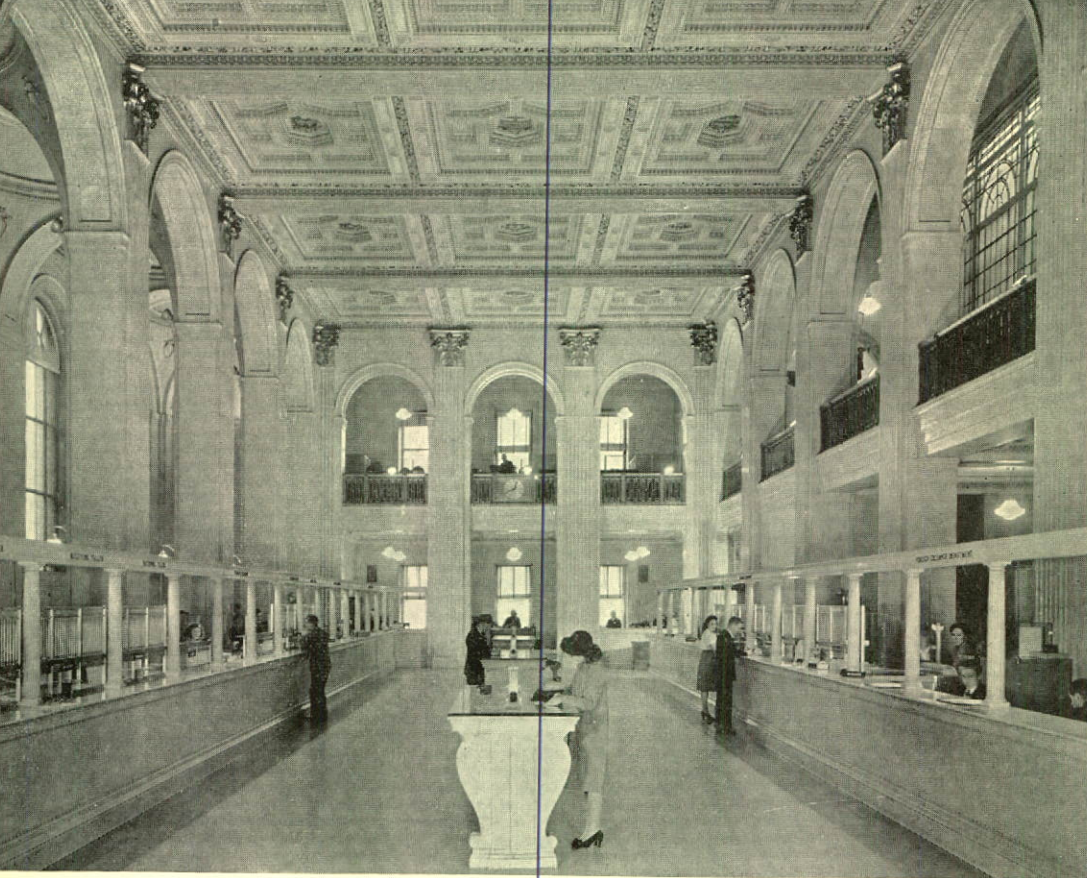
That we have examined the above Balance Sheet as at 30th October, 1943, and compared it with the books at Head Office and with the certified returns from the branches. We have examined the cash, and the securities representing the Bank's investments, held at the Head Office and certain of the larger branches as at 30th October, 1943, and in addition we examined the cash and the securities held at certain of the important branches during the year. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank and is as shown by the books of the Bank.

A. B. SHEPHERD, F.C.A.,
of Peat, Marwick, Mitchell & Co.

D. McK. McCLELLAND, F.C.A.,
of Price, Waterhouse & Co.

Toronto, 17th November, 1943.



MAIN BANKING ROOM
THE DOMINION BANK, TORONTO

THE DOMINION BANK

PROCEEDINGS of the Seventy-Third Annual General Meeting of the Shareholders

THE SEVENTY-THIRD Annual General Meeting of the Shareholders of The Dominion Bank was held at the Banking House of the Institution, Toronto, on Wednesday, 8th December, 1943, at 2.30 p.m.

Among those present were:

A. C. Ashforth, Edgar Bagshaw, R. K. Beairsto (Winnipeg), Evan A. Begg, Herbert Begg, A. M. Bethune, C. A. Bogert, Merritt A. Brown, Col. The Hon. Dr. Herbert A. Bruce, F.R.C.S.(Eng.), LL.D., M.P., C. H. Carlisle, Col. G. T. Chisholm, S. C. Cook, J. E. Davies, W. J. Fleury, R. J. Gourley (Winnipeg), A. Monro Grier, K.C., John T. Hepburn, Donald M. Hogarth, C.M.G., C. S. Howard, A. W. Laver, John M. Lyle, Arthur Macdonald, James V. Macfarlane, J. M. Mackie (Montreal), G. R. Medland, J. W. Medland, A. C. McCollum, R. S. McLaughlin (Oshawa), Lewis A. Neelands, James Nicholson, John P. Patterson, Joseph M. Pigott (Hamilton), A. K. Pringle, Robert Rae, A. W. Rice (New York), Harry Rooke, J. Allan Ross, Charles B. Shields, Mrs. E. Vanstone, W. Walker.

The chair was taken by the President, Mr. C. H. Carlisle. Mr. C. S. Howard was appointed to act as Secretary of the Meeting, and Mr. Evan A. Begg and Mr. A. M. Bethune were appointed Scrutineers.

The notice calling the Meeting was read by the Secretary. The Minutes of the last Annual General Meeting were taken as read and were confirmed.

At the request of the Chairman, the Secretary read the Directors' Report to the Shareholders, and also the Auditors' Report.

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors present the following Statement of the result of the business of the Bank for the year ended 30th October, 1943, and a General Statement of the Assets and Liabilities as of that date.

Balance of Profit and Loss Account, 31st October, 1942	\$ 866,501.60
The Profits for the year ended 30th October, 1943, after making appropriations to contingency accounts, out of which accounts full provision for bad and doubtful debts has been made, and after deducting Dominion Government Taxes of \$439,019.03, amounted to....	914,249.08
Dividends (Quarterly) at eight per cent. per annum.....	\$560,000.00
Contribution to Officers' Pension Fund	105,000.00
Written off Bank Premises.....	150,000.00
	815,000.00
Balance of Profit and Loss Account carried forward...	
	\$ 965,750.68

C. H. CARLISLE,
President.

ROBERT RAE,
General Manager.

Under a reciprocal arrangement with the other banks, four small offices have been closed since 31st October, 1942.

The Head Office and all of the branches of the Bank were inspected as usual during the fiscal year.

The annual examination of the Bank's affairs was made by the Shareholders' Auditors, Mr. A. B. Shepherd, F.C.A., and Mr. D. McK. McClelland, F.C.A., whose report is appended

to the Balance Sheet. Mr. McClelland, having completed his current term, now retires, and you will be asked at this Meeting to appoint Mr. W. D. Glendinning, F.C.A., of Glendinning, Gray and Roberts, to serve with Mr. Shepherd as Shareholders' Auditors for the coming year.

C. H. CARLISLE,

25th November, 1943.

President.

The General Manager was then asked to comment on the Annual Statement.

ANALYSIS OF THE PROFIT AND LOSS ACCOUNT
AND BALANCE SHEET BY MR. ROBERT RAE,
GENERAL MANAGER

The Bank's profits for the year were \$914,249, as compared with \$920,990 for the previous twelve months. All things considered, we feel that you will regard this as a satisfactory showing.

The Secretary of the Meeting has given you the detailed disposition made of the earnings. You will observe that the profits provided for the payment of dividends, a contribution to the Officers' Pension Fund, Dominion Government taxes amounting to \$439,019—a decrease of \$98,227 due, in the main, to certain readjustments in respect of previous years—and a write-off of \$150,000 from Bank Premises Account. After these allotments, the balance remaining in Profit and Loss Account is \$965,750, an increase of \$99,249.

Referring to the Statement of Assets and Liabilities, which you have before you—Notes of the Bank in Circulation are \$2,080,951, a decrease of \$1,438,798, reflecting the further reduction called for under the Bank Act.

DEPOSITS BY THE PUBLIC

Deposits by the public not bearing interest, \$81,441,001, show a small decrease of \$2,079,889. Deposits by the public bearing interest stand at \$99,406,237, an increase of \$10,752,631. These two items total \$180,847,238, compared with \$172,174,496 a year ago, which we consider a favourable showing. Dominion and Provincial Government deposits at \$16,871,338 show an increase of \$4,406,063.

Deposits by and Balances due to other Chartered Banks in Canada and Banking Correspondents elsewhere than in Canada (principally in England and the United States) stand at \$3,177,820, a decrease of \$561,980.

Acceptances and Letters of Credit Outstanding total \$5,280,457, an increase of \$520,461 compared with a year ago, indicating a continuance of business activity.

STRONG LIQUID POSITION

The Cash Assets and readily realizable assets indicate a very high rate of liquidity.

Cash Assets, \$41,273,870, are equivalent to 20.28% of the public liabilities, approximately the same percentage as a year ago, while readily realizable assets, including Government, Municipal and other bonds, and Call and Short Loans, \$151,750,364, are equal to 74.58% of the public liabilities as against 67.71% on October 31st, 1942.

THE BANK'S INVESTMENTS

The Bank's total investments are approximately \$104,767,000, of which \$101,733,975 is Dominion and Provincial Government securities, including \$36,305,000 Dominion of Canada $\frac{3}{4}$ % Deposit Certificates—our share of special financing occasioned by the war. These securities are entered on the Statement at less than market prices prevailing on the 30th October, 1943.

Call and Short Loans in Canada, \$1,122,200, are approximately the same as a year ago, while Call and Short Loans elsewhere than in Canada, \$4,435,648, increased \$2,164,621; these represent day-to-day financing in New York and London against readily marketable securities.

COMMERCIAL LOANS

Turning to the Commercial Loans, these show a decrease of \$10,256,204 and now stand at \$60,239,507. This decrease is largely due to temporarily lower grain loans at statement date and smaller advances to manufacturers and merchants whose inventories are lower than usual due to shortage of consumer goods.

Loans to Provincial Governments and to Cities, Municipalities, etc. total \$897,363 compared with \$837,879 a year ago—an unimportant fluctuation.

Other Current Loans and Discounts elsewhere than in Canada, \$388,903, show an increase of \$108,962 and are readily collectible.

BANK PREMISES

Our Bank Premises Account at \$4,976,171 is \$257,454 lower than a year ago. We have arranged to dispose of our premises at Vancouver, B.C. but will not receive the balance of the sale price until the end of this month. We will

continue to occupy our present banking office as tenants of the new owners. During the year we purchased, at an advantageous price, the property at Niagara Falls which we have occupied, as tenants, for many years.

Continuing the war-time policy of reducing all unnecessary banking service, we discontinued the following branches under exchange arrangements with other Banks:

Gage Ave., Hamilton, Ont.

Rectory St., London, Ont.

Dundas St. and Runnymede Rd., Toronto, Ont.

Robson and Hornby Sts., Vancouver, B.C.

STAFF

On behalf of the Executive, I wish again to express to all members of the Staff our deep appreciation of their untiring efforts during the past year. The senior officers have had to assume extra responsibilities and to spend a considerable portion of their time in training and supervising the inexperienced members of the Staff in order that we may maintain, as far as possible, our standard of service to the public. Much credit must be given to the women, many of them fresh from school, who are filling, in a most satisfactory manner, positions which in normal times would be entrusted to experienced young men.

The total personnel decreased during the year by 10 and now numbers 1,467 of whom 905 are women. Four years ago our Staff totalled 1,289 of whom 224 were women.

During the past year an additional 119 members of the Staff enlisted for Active Service and we now have 604 men and 27 women in the Armed Forces. They have our best wishes and we sincerely hope that before long we shall have the pleasure of welcoming them back. It may be of interest to mention that we endeavour to keep in touch with our Staff on military duty, whether they are at home or abroad, through means of a monthly news-letter issued by the Bank's Overseas Club. It gives extracts from letters from our men and women on Active Service, as well as items of interest regarding their associates remaining in the Bank.

The war continues to exact its toll of our Staff. With sorrow, we have to record that 25 of our fine young men have

given their lives in the service of their country. We honour their memory and extend our heartfelt sympathy to their relatives in their bereavement. We regret, also, that 8 members of the Staff are reported as missing and 5 are prisoners of war. To their families may we express the hope that these men will return safely to their homes in due time.

Our Meeting today takes place under more favourable auspices and we are commencing to see the result of four years of unwearied effort. We feel victory is nearer than we dared hope, even a few months ago, but there is still much to be done to complete the task to which we have set our hands; we must go forward with renewed vigour and the fixed determination to be worthy of the victory which is to come.

ADDRESS BY MR. C. H. CARLISLE,
PRESIDENT

There is little to say pertaining to the year's operations now under review that would be informative, in addition to that which you now have in the submission of the Balance Sheet and the comments made by your General Manager, Mr. Rae.

Your Bank is in a sound financial condition. You share liberally in available business in relation to the Bank's Capital and Surplus. However, there is a condition beyond the control of the management of your Bank that may adversely affect not only the status of The Dominion Bank but that of all other Chartered Banks, as well as that of many other major activities of the country—and that is political interference.

The people of Canada have been notified by the Leader of the Cooperative Commonwealth Federation Political Party that if that Party is elected at the next Dominion election, one of its first acts would be the nationalization of the Chartered Banks. I am not a partisan, neither is your Bank partisan, but when you are given notice that your Bank will be taken over if that Party obtains power—without being given any satisfactory reason as to what compensation if any you will receive, or when—then such a statement concerns not only The Dominion Bank but all Chartered Banks, bank shareholders, bank depositors, as well as others who deal with the Banks—which means every class of business, personal or incorporated; and Municipal, Township, County, Provincial and Dominion Governments. Such action would terminate the facilities the Chartered Banks have established for the transaction of Canadian business in all countries throughout the world where that business exists. We have not been informed as to what substitution would be made to replace this service, if replaced at all, and if made how it would be received by the countries affected.

CRITICISMS SERVE POLITICAL PURPOSE

In the past, as at present, there have been many criticisms of Chartered Banks—too many to be enumerated on this occasion. If criticism were always sincere and factual it would serve a useful purpose, but it is often the reverse.

Most of these criticisms usually come from people or groups of people who have had little or no experience in banking, financing, production, or in commercial and foreign transactions. It would appear that many of the criticisms are intended to serve a political purpose, or are based on statements without facts.

The most fervent believer in the Chartered Bank system does not claim that that system is perfect. Perfection does not exist.

British and Canadian Courts of Justice require, however, definite proof of statements made in accusation before they sentence the accused to prison or execution, or, in case of a corporation, to penalty. Therefore, would it not be in keeping to ascertain the facts about Chartered Banks before we condemn them to confiscation or annihilation?

BANKS CREATED AND CONTROLLED BY GOVERNMENT

A Bank Charter is issued under a special Act of Parliament. The Bank Act sets out the conditions under which the bank may conduct its business. The Government, from time to time, may amend or alter the operations of the Banks, so as to better conform to the then current requirements. Every ten years the Government appoints a Parliamentary Committee to make a careful and extensive study of banks and the banking system; amendments, where required, are recommended and usually enacted. These amendments and intervening legislation are incorporated in the revision of the Bank Act. Such procedure is sound.

The Bank Act of 1871 gave the Chartered Banks authority to issue notes to the extent of their Paid-Up Capital. There were two reasons for this enactment: the primary reason was to assist the Banks to establish branches so as to give the entire country an adequate banking service—and especially in remote and sparsely settled districts. As transportation and communications improved these branches have been reduced from 4,800 to about 3,000. As further improvements and developments are made, reductions will be made accordingly. The second reason was to enable Banks to reduce their borrowings in foreign markets for the purpose of financing our grain crops and other products.

The bank notes, at all times, were amply secured by, firstly, making them a first lien against all the assets of the bank issuing them; secondly, a liability of the shareholder up to the par value of his stock, and thirdly, a five per cent note circulation fund on the total amount of issue of all the Banks. The latter fund is in the custody of the Department of Finance at Ottawa. Many changes have taken place since 1871 that have made the note issue less of a necessity than at the time of enactment. The note issue is, at the present time, limited to 45 per cent of the total capital stock of the Banks, and will be further reduced to 35 per cent in January next. The issuing of these notes was highly constructive. It made possible a banking service that could not otherwise have existed. It enabled the Chartered Banks, at a later date, to finance the Canadian grain crops in their entirety.

CANADIAN AND BRITISH SYSTEMS

The Canadian banking system had a worthy precedent in the British banking system. The Bank of England, established in 1694, was and still is a joint stock bank, and has always been a bank of issue. For more than a century most of the other banks also issued notes throughout England with the exception of London and vicinity. Banks in Scotland and Northern Ireland continue to issue their own notes.

British Banks are not circumscribed by Government control to the extent that are the Canadian Banks. British Banks have been pre-eminent in world banking. Nevertheless, they have been criticized as our Banks have been criticized. They have been threatened with nationalization as our Banks are now threatened.

In reply to the suggestion that the British Banks be nationalized, Viscount Philip Snowden, a Socialist, and Chancellor of the Exchequer in the MacDonald Labour Government, stated:

"If banks were nationalized, they would have to be managed as they now are if their solvency is to be maintained."

This statement was made by a man in a position to know.

Notwithstanding the continual criticism, since its inception, of the British banking system, the British people—who

are considered sound in their judgment—saw no reason for change and, therefore, the system established carried on. Owing to the high standard of efficiency of the Canadian Chartered Banks, and their long and useful service rendered, the Canadian people also will see to it that their Banks carry on. The safety and progress of our country demand it.

PUBLIC INTEREST PROTECTED

The Canadian Chartered Banks are required to make monthly reports to the Government as to their condition and their operations, and are subject to constant scrutiny of two auditors, elected by the shareholders and approved by the Government. These auditors are consultants to the management. They make intermittent audits and an annual audit which is submitted to the shareholders. The auditors elected can have no interlocking interests and, as a further safeguard, one of the auditors is replaced at the close of each two year period.

Banks are inspected at least once a year by the Inspector General of Banks, who has access to all the records and transactions of the Chartered Banks. He reports to the Minister of Finance.

In addition thereto each Bank has its own inspectors and auditors, who report directly to the bank management.

I know of no other banking system that so thoroughly protects and safeguards the public interest.

SERVICE RENDERED BY THE BANKS

A Chartered Bank receives deposits, makes loans in general to individuals and to business. It also collects bills and transfers funds between all points—domestic and foreign, issues letters of credit and maintains banking facilities throughout the world. It deals in foreign exchange, subject during war to the Canadian Foreign Exchange Control Board. It provides a checking service which is of great importance and convenience. It provides safekeeping for your securities. Your business is confidential.

In time of war the Chartered Banks have rendered and are rendering special services. They have loaned to the Govern-

ment, without remuneration to the Banks, many of their key men—notwithstanding that the Banks were in dire need of these men.

The Chartered Banks have been the principal purchasers of Treasury Bills and have purchased in amounts of upwards of \$300,000,000 at an average rate of .456 per cent. On October 28th last the Banks purchased Treasury Bills totalling \$55,000,000 at a rate as low as .422 per cent. The Banks have purchased Deposit Certificates in amounts of more than \$1,000,000,000 at a rate of $\frac{3}{4}$ of 1 per cent. They have purchased Short Term Notes (\$450,000,000) at $1\frac{1}{2}$ per cent. These are the lowest rates in the history of Canadian banking. The Banks assist the purchaser by financing his government bonds at the time of issue for a period of six months, at coupon rates. This service represents hundreds of millions of dollars. It is a material aid in increasing the sale of Government bonds.

A SOURCE OF TAXATION

The Chartered Banks provide a liberal source for taxation. In 1942 the Banks paid Dominion Income and Circulation Taxes amounting to \$10,453,700. In addition to this amount they paid in business and property taxes an amount of approximately \$5,000,000. We would take it that nationalized banks would not be subject to taxation, thereby depriving the Government of this revenue.

The Chartered Banks have over 5,000,000 deposit accounts, totalling approximately three and three-quarter billions of dollars. This is an endorsement, in a material way, of the soundness of our Banks and the service they render.

BANKS NOT A COMBINE

If the accusation that the Chartered Banks are a combine were true, then that combine exists at the direction of past and present Governments, as Governments, through legislation, create all Chartered Banks and supervise all their activities, from the issuing and regulation of currency to minor operations.

Bank shareholders number 51,321. The average holdings are $28\frac{1}{2}$ shares. In looking over a list of shareholders of your Bank I find there are 104 shareholders who own only

one share each; 142 own two shares each; 121 own three shares each, while 1,225 shareholders own an average of five shares each. Such holdings do not indicate a combine.

There is no pooling of bank shares—neither do I find a record that there ever has been. The officials of the Banks, individually or collectively, hold no control of the shares of any Canadian Bank. The Banks are keenly competitive. No combine exists or has existed.

THE RETURN TO THE SHAREHOLDER

Just one more citation: It is stated—"the rate paid to the shareholder is unjust." The average current rate paid on the par value of bank stock is 6.6 per cent. If the shareholder paid only par for his stock, the above rate might be considered excessive. However, the fact is that the average price paid for bank shares at the time of issue was \$163.00, which reflects a rate of slightly over 4 per cent.

Over a long period of time the Banks have built up large reserves to provide for expanding business, and to safeguard the Banks in times of depression. These reserves belong to the shareholder, but are not reflected in his share certificate. If the shareholder's rate of dividend were based on his actual investment and the accrument thereon, the rate would be low indeed.

The average earnings of Canadian Chartered Banks, based on their assets, is approximately $\frac{1}{2}$ of 1 per cent.

BANKS STAND ACID TEST OF TIME

I have endeavoured to present in abridged form the more important information pertaining to the Canadian Chartered Banks and their operations. The operations of two of our Chartered Banks date back for over one hundred years; others for a lesser time; your Bank for seventy-two years. You can evaluate their records. Their records have been evaluated and approved not only by the different Canadian Governments, but by Canadian people and Canadian business; by other nations who know our banking system and have transacted business with us. Our Banks have stood the acid test of time, through periods of depression and inflation, through war and post-war conditions. In 1933 when similar institutions were failing in many countries, and

when in the United States the failures reached an alarming total, the Canadian Chartered Banks stood firm as a rock, they did not abridge their services, they met every financial obligation. They just carried on in their usual way.

Do the Canadian people at any time—and especially in time of war and facing post-war conditions—choose to discard a banking system which has proven its worth over such a long period of time, and substitute for it a nationalized system, unproven, with no skilled planning, under the direction of those in government who may not have any knowledge of banking—a system that likely would be infested by politics and political patronage?

DO YOU WANT SOCIALISM?

The Cooperative Commonwealth Federation platform does not only provide for the nationalization of Chartered Banks but for the socialization of our major industries and institutions.

Socialism, communism and dictatorship have one thing in common—that is, regimentation. Regimentation has had its chance to prove its worth; it has only proven its lack of worth. Twelve hundred years after the Fall of Rome, socialism existed in many countries and the result which it left was a trail of sterility. It has been tried many times since in many countries—only to fail. Socialism assumes that the people of the State are servile and wards of the State. Those who advocate socialism apparently overlook the fact that the people create government, that government must be servant to them—and not vice versa.

Regimentation by government goes far beyond that of governmental administration. It assumes control and direction of people. It deprives the individual of choosing his way through life. It deprives him of the incentive to accomplish. It assumes control and guidance of enterprises. The assumption of such far reaching authority rightly causes us to query of these would be reformers, as did Cassius when he asked:

“Upon what meat doth this our Caesar feed,
That he is grown so great?”

Our people do not choose to be directed as to where and when they shall work, the hours that they are to work, the

wages that they are to receive and the kind of work to be done. Our freedom of choice and action can only be fully appreciated by comparison with the lack of freedom and organization in regimented countries such as Germany, Italy and others.

FREE PEOPLE AND FREE ENTERPRISE

There can only be one basis of correct judgment, and that basis is facts. History records that, by an overwhelming margin, the major progress made by mankind has been achieved by free people and free enterprises. Progress in the last one hundred years has been as beneficial as it has been spectacular. Some of these great achievements have now become commonplace. Only by our being deprived of them can they be fully appreciated.

During Canada's entire existence, the British North America Act has been her Constitution and connecting link with Britain. We may wish to amend this Act, but not to destroy it. We have an Upper and Lower House of Parliament. Most democracies have a similar set-up. The Upper House reviews legislation by the Lower House and also reviews appointments made by government. That procedure seems wise and safe. Do we wish to abolish our Senate? We have Provincial Governments which have control over their local affairs. They will likely not choose to dispense with their rights, or abridge them unduly.

FREEDOM WITH OPPORTUNITY

Canada has been a Dominion within the British Commonwealth since 1867. During her short existence she has accomplished much. She, in common with other democracies, has freedom of speech and freedom of religion. She has not at all times been free from fear and from want—that likely accounts to some extent for her progress. She has not accepted the philosophy of “plenty from the cradle to the grave,” but has accepted the philosophy that every able-bodied man should be free to choose his own way through life, that he be given the opportunity of self maintenance for himself and that of his dependents, that he receive a just reward for the things that he accomplishes, that his right of ownership of what he attains by industry and enterprise shall be protected, and that those who may be deprived temporarily

of the opportunity of self maintenance shall be provided for by the State or the community.

We, the people of Canada, have much. I know of no country in which the standard of living is higher or more equitably distributed. Is it your thought that all that we have garnered from the past, all that we have at present, may be expunged by any political group—even a minority group—through its class appeal and its propaganda? This is for you to decide, but before doing so it might be advisable for you to consider well the statement made recently by the Right Honourable Winston Churchill, that is:

“We must beware of trying to build a society in which nobody counts for anything except the politician or official, a society where enterprise gains no reward and thrift no privileges.”

I move the adoption of the Report.

Mr. R. S. McLaughlin—I have pleasure in seconding the adoption of the Report.

The Chairman presented the motion to the Meeting and the Report was adopted.

It was moved by Mr. Herbert Begg and seconded by Col. G. T. Chisholm:

THAT Mr. A. B. Shepherd, F.C.A., of Peat, Marwick, Mitchell and Company, and Mr. W. D. Glendinning, F.C.A., of Glendinning, Gray and Roberts, be appointed Auditors to hold office until the next Annual General Meeting, and that their remuneration be fixed at a sum not to exceed \$12,000.
(Motion carried.)

The Chairman stated that the Board had decided to recommend to the shareholders that provision be made for an increase in the number of Directors from sixteen to eighteen. This would necessitate a change in Shareholders' By-law No. 4.

At this Meeting it was proposed that the sixteen Directors at present constituting the Board be nominated for the ensuing year. The result would be that there would be two

vacancies which could be filled at any time that such a course was considered in the interests of the Bank.

It was moved by Mr. James Nicholson and seconded by Mr. Harry Rooke:

THAT the following be and it is hereby enacted as By-law No. 17 of the Shareholders' By-laws of The Dominion Bank:

THAT By-law No. 4 of the Shareholders' By-laws be amended by striking out therein the word "sixteen" and inserting in lieu thereof the word "eighteen," and by adding thereto the following:

In case the full number of eighteen Directors is not elected at the Annual General Meeting of Shareholders or on such other day as may be appointed for the election of Directors, the Directors in office shall have power at any time and from time to time to declare one vacancy or more than one vacancy to exist and to elect any qualified person or persons as a Director or Directors to fill such vacancy or vacancies but so that the total number of Directors shall not at any time exceed eighteen. Any Director so appointed shall hold office only until the next following Annual General Meeting of the Bank and shall then be eligible for re-election.

It was moved by Mr. Gordon R. Medland and seconded by Mr. A. W. Laver:

THAT the Board of Directors for the ensuing year be: C. A. Bogert, Col. the Hon. Dr. Herbert A. Bruce, F.R.C.S. (Eng.), LL.D., M.P., C. H. Carlisle, R. Y. Eaton, R. J. Gourley, Col. the Hon. E. W. Hamber, LL.D., D. M. Hogarth, C.M.G., J. M. Mackie, A. C. Matthews, R. S. McLaughlin, F. Gordon Osler, Joseph M. Pigott, Robert Rae, J. Allan Ross, C. B. Shields, H. H. Williams, and,

THAT a ballot box be now opened for the receipt of ballot papers for the appointment of Auditors, for the enactment of By-law No. 17, and for the election of Directors, and that the poll be closed at four o'clock in the afternoon or so soon before that hour as five minutes shall have elapsed without

any further vote being cast, and that the Scrutineers do certify the result of the poll to the Chairman of the Meeting.

Upon the conclusion of the balloting the Scrutineers reported to the Chairman that Messrs. A. B. Shepherd, F.C.A., and W. D. Glendinning, F.C.A., had been appointed Auditors and the appropriation for their remuneration authorized, that By-law No. 17 had been enacted, and that the gentlemen nominated as Directors had been duly elected Directors for the ensuing year.

The Chairman then thanked the Shareholders for their attendance and expressed his pleasure at seeing so many present at the Meeting.

The proceedings then terminated.

At a subsequent meeting of the Board of Directors, Mr. C. H. Carlisle was elected President, Mr. C. A. Bogert, Chairman of the Board, and Mr. R. S. McLaughlin and Mr. Robert Rae, Vice-Presidents, for the ensuing year.

The Annual Statement with copy of the Profit and Loss Account, and the Minutes of the Annual Meeting are sent to the Shareholders in accordance with the provisions of Section 53 of the Bank Act.

